Privy Council Office

Departmental Performance Report 2008-09

The Right Honourable Stephen Harper

Prime Minister of Canada

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Clerk of the Privy Council and Secretary to the Cabinet

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Prime Minister's Message

Over the past year, the Government of Canada has faced a range of new challenges. Among the more significant is the fallout from the worst global economic downturn in half a century. In this context, the Privy Council Office played a key role in supporting the Government as it addressed the economic situation and delivered on its priorities. By providing non-partisan analysis and advice to the Government, the Privy Council Office helped prepare for our new mandate and respond to the domestic and global challenges.

The Privy Council Office played a key role in helping the Government develop Canada's Economic Action Plan. It supported the Government in streamlining the policy process to ensure faster approvals, facilitated a First Ministers' Meeting on the economic situation, and helped Canada demonstrate leadership on the world stage at the G8 and G20 meetings. Throughout this period, the Privy Council Office assisted the Government in responding to the recession with timely and meaningful measures aimed at helping Canadian families and businesses weather the crisis. The Privy Council Office also delivered regular, quality reporting on the implementation of Canada's priorities and signature projects in Afghanistan through quarterly reports.

The Privy Council Office supported the Government's engagement with the new U.S. Administration across key issues, including the impact of the economic downturn on the automotive sector and energy policy. The Privy Council Office also coordinated President Barack Obama's February visit to Canada—his first international visit—which marked a productive start to bilateral relations with a new Administration.

In short, the Privy Council Office played a central role in supporting the Government in delivering priorities for Canadians in particularly challenging times. I would like to thank the staff of the Privy Council Office and the thousands of federal public servants across the country for their dedication and professionalism in this work.

I am pleased to present the *Departmental Performance Report* for the Privy Council Office for the year ending March 31, 2009 and the *Departmental Performance Report* for the Public Appointments Commission Secretariat, included in this report.

Section I: Overview

Summary Information

PCO's Raison d'être

The mandate of the Privy Council Office (PCO) is to serve Canada and Canadians by providing the best professional, non-partisan advice and support to the Prime Minister, the Ministers within the Prime Minister's portfolio and the Cabinet.

PCO supports the development of the Government's policy agenda; coordinates responses to issues facing the Government and the country; and supports the effective operation of the Cabinet.

As the head of the Public Service, the Clerk of the Privy Council and Secretary to the Cabinet serves as the principal link between the Prime Minister and the Public Service.

Organizational Information

The Privy Council Office reports directly to the Prime Minister and is headed by the Clerk of the Privy Council and Secretary to the Cabinet.

As the individual who forms and leads the government of the day, the Prime Minister provides leadership to the ministry in setting and achieving the government's agenda while maintaining the confidence of the House of Commons. Areas of prime ministerial responsibility include:

- appointments to key positions, including Ministers, deputy ministers and heads of government entities;
- the organization of government, including the structure of Cabinet and its decision-making processes;
- the broad direction of government policy and expenditure;
- federal-provincial-territorial relations; and
- national security matters.

For more information on PCO's main roles, please visit PCO's website at www.pco-bcp.gc.ca.

Strategic Outcome and Program Activity Architecture for 2008-09

Strategic Outcome	1. The Government's agenda and decision making are supported and implemented and the institutions of government are supported and maintained.			
Program Activity	**1.1 The Prime Minister and Portfolio Ministers** Provide professional, non-partisan policy advice and support to the Prime Minister and portfolio ministers.	**1.2 The Cabinet** Provide policy advice and secretariat support to Cabinet and Cabinet committees.	**1.3 The Public Service** Provide overall leadership and direction to the Public Service in support of the Government's agenda.	**1.4 Commissions of Inquiry** Provide commissions of inquiry with financial and administrative support.
Sub-Activity	1.1.1 Provide advice to the Prime Minister on issues, policies, machinery and appointments. 1.1.2 Provide advice to the Prime Minister on issues related to international affairs and national security. 1.1.3 Provide advice and support to the Prime Minister and the Minister of Intergovernmental Affairs on policies, communications and parliamentary affairs related to federal-provincial-territorial relations. 1.1.4 Provide advice to portfolio ministers on policy, legislation and parliamentary issues. 1.1.5 Provide the PMO and the offices of the portfolio ministers with administrative and financial support.	1.2.1 Support for the operation of Cabinet and Cabinet committees. 1.2.2 Facilitate integration across the federal community in order to support the implementation of the Government's agenda by departments and agencies.	1.3.1 Provide support for the operation of the Deputy Ministers' Committee on Public Service Renewal. 1.3.2 Support for the operation of the Committee of Senior Officials.	

Risk Analysis

PCO's work and the challenges it faces in meeting its priorities are greatly impacted by its operating context. When the 2008-09 *Report on Plans and Priorities* was drafted in the winter of 2007-08, the scale of the global recession and the outcome of the 2008 U.S. presidential election were unknown. These two factors have greatly affected the work of PCO, particularly in meeting its first operational priority to support the Prime Minister in exercising his overall leadership responsibility.

Global Economic Crisis

The year 2008-09 marked the most synchronized recession and the worst financial crisis since the 1930s. Despite its resilience and strength, the Canadian economy, which is highly interconnected with the global economy, entered a recession in the fourth quarter of 2008,

although by comparison with other G7[1] and emerging economies, this recession occurred later and was less deep. The increasing turmoil and uncertainty within the global financial markets have led to rising job losses and declining confidence on the part of business. As a result, investors and the public at large have called for the Government of Canada to develop an economic stimulus plan of unprecedented scale.

PCO has supported the Government's agenda and helped to sustain confidence within the institutions of government by working closely across federal departments and sectors to ensure effective and efficient solutions. This work, as outlined in PCO's first priority, included providing the Prime Minister with accurate and timely information and policy advice regarding the economy and economic conditions, as well as supporting effective Cabinet decisions on economic policies to help respond to the recession.

Working with the Department of Finance, PCO helped develop the Economic Action Plan (Budget 2009) and communicate it to Canadians. The Plan is designed to limit the depth of the recession and its impact on Canadians, while creating the conditions for future long-term economic growth. Details of the Plan are available at: www.actionplan.gc.ca

Canada-U.S. Relations

The Canada-U.S. economic relationship is the largest in the world. In 2008, its two-way merchandise trade totalled $602.5 billion with approximately $2 billion in goods and services moving across the Canada-U.S. border each day. The U.S. is the largest foreign investor in Canada and the primary destination for Canadian investment abroad. Canada is the biggest supplier of oil, natural gas, uranium and electricity to the U.S., which accounted for 99 percent ($91.1 billion) of all Canadian energy exports in 2007.[2]

The bilateral relationship is a priority for the Government and affects the work of many departments and agencies including PCO. PCO supported the Government in setting and advancing priorities for the relationship and coordinated action across federal departments and agencies to ensure policy coherence, as reflected in PCO's work with Industry Canada, Export Development Canada and other departments in the development of support strategies for the automotive sector.

The new U.S. Administration presents an important opportunity for Canada to renew and build upon our strong partnership. During President Obama's official visit, he and the Prime Minister set out a framework for strengthened cooperation on the economy, the border, climate change and energy, and international priorities, including Afghanistan.

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[1] The G7 is a group of seven highly industrialized countries: Canada, France, Germany, Italy, Japan, the United Kingdom and the United States.

[2] www.nrcan-rncan.gc.ca/stat/energ-eng.php#sec2

Afghanistan

PCO's second priority was to focus on key policy areas and strengthen medium-term policy planning. An example of efforts under this priority is PCO's work in helping to create a Cabinet Committee on Afghanistan, supported by a newly established Deputy Minister coordinating committee and an Afghanistan Task Force, in response to the recommendations of the Independent Panel on Canada's Future Role in Afghanistan. Also in response to the recommendations of the Panel, PCO coordinated the development of six priorities and three signature projects related to Canada's engagement in Afghanistan. PCO has facilitated, in collaboration with other departments, the transformation of Canada's mission in Afghanistan to an integrated and joint civilian-military partnership, embodying the philosophy of "one mission, one team."

In addition to releasing a series of benchmarks for the six priorities and three signature projects, PCO has coordinated the production of quarterly reports, which report on Canada's priorities and signature projects using a series of benchmarks and progress indicators. These quarterly reports provide the Government with a means of reporting frankly and honestly to Canadians on the progress being made.

Complexity of Issues

The complexity of PCO's work was amplified with the re-election and renewed mandate of a minority government. Within this challenging environment, PCO has met its third priority of improving the management and accountability of government by supporting the strategic management of Governor-in-Council appointments as well as the renewal of the Public Service. Public Service renewal is particularly important as 66 percent of public servants are over the age of 40, and more than a quarter of public servants are eligible to retire without penalty by 2012. PCO has worked with other departments and agencies to implement actions aimed at promoting Public Service renewal that were identified in the Clerk's *Sixteenth Annual Report to the Prime Minister on the Public Service of Canada.*

At the same time, technological change is occurring at a rapid pace. Taking advantage of new opportunities to deliver services and information quickly and in an efficient and effective manner with limited resources is a constant challenge for PCO while maintaining security, confidentiality and privacy as well as accessibility. By remaining flexible, agile and innovative, PCO can ensure that the Government's agenda and decisions are supported and implemented, and that the institutions of government are supported and maintained.

Further, PCO's responsibilities to support the Prime Minister and Cabinet, to ensure continuity of constitutional government, and to provide leadership for the Public Service require that it be capable of operating in all environments regardless of the circumstances. In pursuit of its fourth priority, to strengthen PCO's internal management practices, PCO has improved of its Integrated Business and Human Resources Planning Process, further developed its Performance Measurement System, established a new and independent Departmental Audit Committee and strengthened its emergency preparedness and business continuity planning.

Contribution of Priorities to Strategic Outcome

The following table summarizes PCO's overall performance against the priorities set out in the 2008-09 *Report on Plans and Priorities* (RPP). For more information on PCO's Commitments and Achievements, please see Annex I of the online extended Departmental Performance Report. Details on the related expected results by program activity are presented in Section II of this report. As shown below, all 2008-09 performance milestones identified in the RPP were successfully met.

Operational Priorities	Type	Performance Status
1. Support the Prime Minister in exercising his overall leadership responsibility	Ongoing	Successfully met
2. Focus on key policy areas and strengthen medium-term policy planning	Ongoing	Successfully met
3. Improve management and accountability of government	Ongoing	Successfully met
Management Priorities		
4. Strengthen PCO's internal management practices	Ongoing	Successfully met

Resource Summary

Financial Resources (thousands of dollars)

2008-09		
Planned Spending	Total Authorities	Actual Spending
125,125	161,461	149,329

Human Resources (full-time equivalents)

2008-09		
Planned	Actual	Difference
944	981	(37)

Table 1: Performance Summary

(thousands of dollars) The dollar amounts of variations are provided in the Performance Summary Details in Annex II of the online extended Departmental Performance Report.

Program Activity	2007-08 Actual Spending	2008-09				Alignment to Government of Canada Outcomes
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Provide professional, non-partisan policy advice and support to the Prime Minister and portfolio Ministers	94,463	97,573	99,473	111,546	104,134	
Provide policy advice and secretariat support to	21,096	20,763	20,763	24,921	24,761	

Cabinet and Cabinet committees						All program activities are aligned with the "Government Affairs" outcome
Provide overall leadership and direction to the Public Service in support of the Government's agenda	4,731	3,573	3,573	4,388	5,389	
Provide commissions of inquiry with administrative and financial support	17,402	1,316	1,316	20,606	15,045	
Total Spending	137,692	123,226	125,125	161,461	149,329	
Less: Non-respendable revenue	1,837	N/A	791	791	1,296	
Plus: Cost of services received without charge	17,489	N/A	17,882	17,882	19,358	
Net Cost of Department	153,344	N/A	142,216	178,552	167,391	
Full-time Equivalents	912	934	944	998	981	

Due to rounding, figures may not add up to the totals shown.

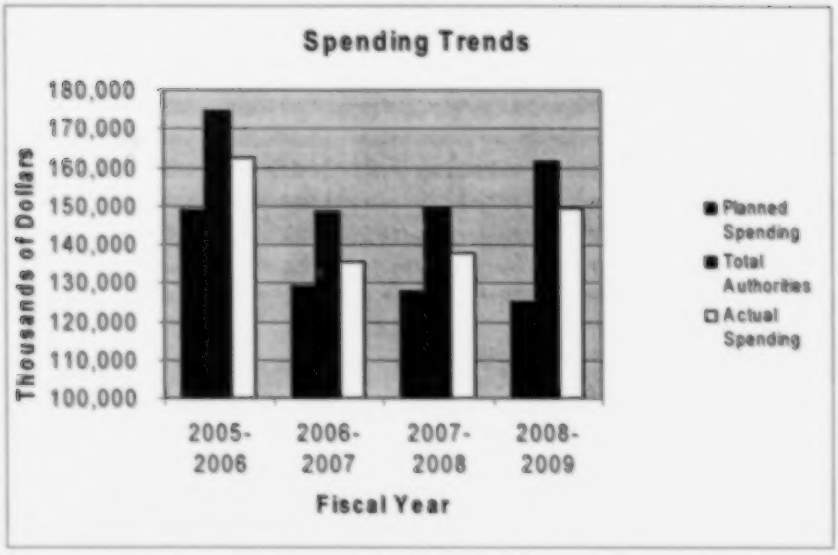
Like other departments and agencies, PCO starts the year with a budget as voted in the Main Estimates, but can receive additional funding through the Supplementary Estimates and other transfers. Departments and agencies publish a Planned Spending figure that reflects amounts approved by the start of the year for inclusion in the Supplementary Estimates. The total amount approved by Parliament in the Main and Supplementary Estimates for the year is reflected in the Total Authorities, which departments or agencies may not exceed. This constraint, coupled with delays in implementing plans, means that Actual Spending is lower than Total Authorities. Actual Spending is calculated after the close of the fiscal year.

In 2008-09, PCO received $38.2 million of in-year funding:

- $1.8 million—2010 Olympics and G8 Security
- $19 million—Commissions of Inquiry
- $4.7 million—Afghanistan Task Force
- $12.7 million—Carry forward, new collective agreements, reimbursements of expenses such as parental leave, severance pay and other small adjustments and technical adjustments.

At the end of the year, PCO had a surplus of $12.1 million of which $5.6 million represented delays or deadline extensions related to Commissions of Inquiry. Since funding and expenditures related to Commissions of Inquiry are controlled by special purpose allotments and are isolated within PCO's vote, PCO's surplus for its activities (excluding the special purpose allotments) represented $6.5 million. For more information on Performance Summary Details, please see Annex II of the online extended Departmental Performance Report. For the impact on performance, please see Section II of this report.

Variation in the Spending Trends Graph



In previous years, differences between PCO's Planned Spending and Total Authorities have mainly been caused by funding received through Supplementary Estimates for Commissions of Inquiry.

PCO's (excluding Commissions of Inquiry[3]) Total Surpluses—Total Authorities minus Actual Spending—decreased from $9.2 million in 2007-08 to $6.5 million in 2008-09.

PCO's (excluding Commissions of Inquiry) surpluses in both years are caused in part by contracting and accommodation delays, high staff turnover, and delays in staffing vacant positions due to shortages of qualified applicants. The surplus was lower in 2008-09 because there were fewer delays in staffing of vacant positions.

For more details on total Planned Spending and Total Authorities, please see the Performance Summary above, or Annex II of the online extended Departmental Performance Report.

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[3] Commissions of Inquiry funds are excluded because they are accounted for as special purpose allotments.

2008-09 Actual Spending per Program Activity

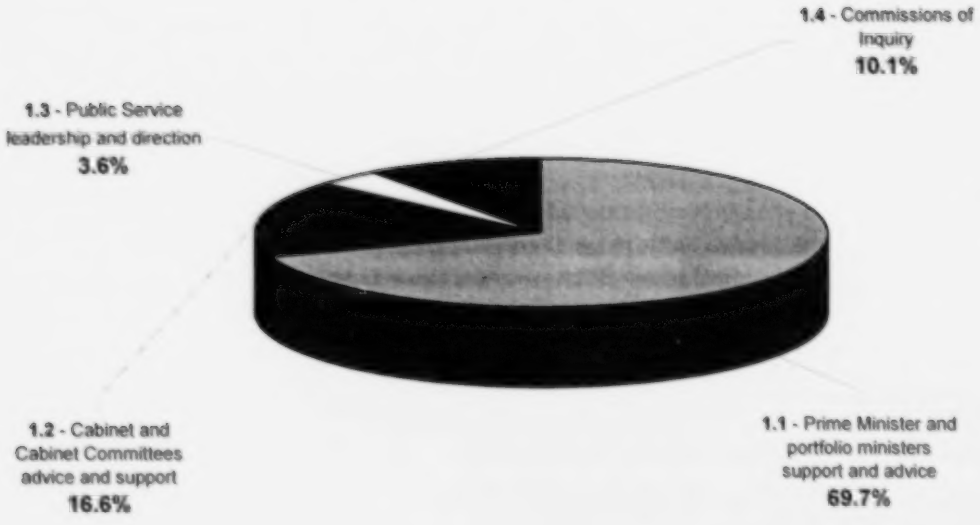
1.4 - Commissions of Inquiry
10.1%
1.3 - Public Service leadership and direction
3.6%
1.2 - Cabinet and Cabinet Committees advice and support
16.6%
1.1 - Prime Minister and portfolio ministers support and advice
69.7%

Table 2: Voted and Statutory Items (thousands of dollars)

		2006-07 Actual Spending	2007-08 Actual Spending	2008-09 Main Estimates	2008-09 Actual Spending
1	Program expenditures[4]	122,940	125,531	110,568	135,510
(S)	Contributions to employee benefit plans	12,319	11,837	12,348	13,343
(S)	Prime Minister — Salary and motor car allowance	150	153	157	157
(S)	Minister of Intergovernmental Affairs, President of the Queen's Privy Council for Canada and Minister for La Francophonie — Salary and motor car allowance	74	74	76	77
(S)	Leader of the Government in the Senate — Salary and motor car allowance	73	74	76	77
(S)	Leader of the Government in the House of Commons — Salary and motor car allowance[5]	0	0	0	77
(S)	Minister of State and Chief Government Whip — Salary and motor car allowance[6]	0	0	0	30
(S)	Minister of State (Democratic Reform) — Salary and motor car allowance[7]	0	0	0	24
(S)	Ministers without Portfolio or Minister of State— Motor car allowance	5	4	0	0
(S)	Spending of proceeds from the disposal of surplus Crown assets	0	19	0	31
(S)	Court awards	0	0	0	3
Total Department		**135,561**	**137,692**	**123,226**	**149,329**

Due to rounding, figures may not add up to the totals shown.

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[4] Please refer to the spending trends graph for more details on departmental spending trends. Please refer to the Performance Summary above or to Annex II (provided electronically) for more details on the total Main Estimates and the total Actual Spending.

[5] In previous years, the Leader of Government in the House of Commons was considered as a Minister without Portfolio in accordance with the *Salaries Act*. Under an amendment (Bill C-30) to the *Salaries Act*, the Leader of the Government in the House of Commons is now considered a full-fledged Minister and thus his expenses (salary and motor car allowance) are therefore no longer "voted" but "statutory" items. The Supplementary Estimates A and Actual Spending for the 2008-09 year reflect this amendment, which will be permanently reflected in the 2009-10 Main Estimates for PCO.

[6] In 2008-09, the salary and motor car allowance for the Minister of State and Chief Government Whip are considered as statutory items.

[7] A new Minister of State was appointed to PCO on October 30, 2008. The salary and motor car allowance of the new Minister of State (Democratic Reform) are considered statutory items for 2008-09.

Section II: Analysis of Program Activities by Strategic Outcome

This section provides information about PCO's program activities, including key achievements, in support of its single, strategic outcome.

Strategic Outcome
The Government's agenda and decision making are supported and implemented and the institutions of government are supported and maintained.

Program Activity 1	**Benefits to Canadians**
Provide professional, non-partisan policy advice and support to the Prime Minister and portfolio Ministers.	The Prime Minister and portfolio Ministers will be able to carry out their respective responsibilities to Canadians in an effective and efficient manner through non-partisan advice and support that contributes to decision making and the Government's agenda setting.

Financial Resources (thousands of dollars)

2008-09		
Planned Spending	Total Authorities	Actual Spending
99,473	111,546	104,134

Human Resources (full-time equivalents)

2008-09		
Planned	Actual	Difference
744	738	6

Description	Program Activity Expected Results	Performance Indicators[8]
To support the Prime Minister in carrying out his unique responsibilities as Head of the Government, PCO provides advice to the Prime Minister and portfolio Ministers on policies; legislation and parliamentary issues facing the	The Prime Minister and portfolio Ministers are able to carry out their respective responsibilities.	→The Prime Minister and the portfolio Ministers are provided with value-added[9] information on which to base decisions. • Number of Orders-in-Council

[8] PCO's key role is to provide advice and support to the Prime Minister, ministers within his portfolio and Cabinet. PCO is challenged to find meaningful and useful measures for this work; quantitative measures have been implemented with full understanding of their limitations. One of the key limitations is that quantitative measures cannot alone demonstrate the complexity of the analysis and research necessary to achieve the goals and the scope or range of the different activities. PCO has further developed its Performance Measurement Framework with the goal of providing increasingly accurate and relevant indicators for success against priorities.

[9] "Value-added" means complete, accurate, relevant and timely.

Government; appointments; and machinery of government issues. PCO also provides the Prime Minister's Office and the offices of the portfolio Ministers with financial and administrative support.		• Number of Governor-in-Council appointments • Number of First Ministers' Meetings (FMM) →Advice to the Prime Minister and the portfolio Ministers is provided in a timely manner.

Performance Analysis—Policy Support

After the October 14, 2008 general election, PCO advised the Prime Minister on key considerations for the Government in delivering on its priorities for the new mandate in each ministerial portfolio and across the whole of government. This advice was designed to support the Prime Minister in determining ministerial mandates and responsibilities. Through the transition briefing and other advice, PCO also supported the Prime Minister in setting out the Government's priorities for the new mandate in the Speeches from the Throne of November 19, 2008, and January 26, 2009, thereby helping the Government deliver on its platform commitments and policy priorities.

Over the year, PCO provided advice to the Prime Minister on managing the Government's agenda and addressing key issues. The breadth and depth of this mandate is illustrated, in part, by the more than 2,700 briefing materials provided in 2008-09.

The Economic Policy Agenda

With the intensification of the global economic crisis, providing support and advice on economic policy was an important part of PCO's role in the past year. In collaboration with the Department of Finance, PCO helped develop proposals for the Economic Action Plan (Budget 2009), coordinated the speedy approval of initiatives and proposals by Cabinet while ensuring that proper policy authorities and accountability measures were in place, and communicated them to Canadians.

PCO's activities included coordinating two successful First Ministers' Meetings on the economy, which helped build provincial and territorial support for Canada's Economic Action Plan and Budget 2009. All First Ministers agreed to take incremental action in their 2009 budgets to stimulate the economy, to develop a national framework for foreign credential recognition, and to strengthen the economic union by endorsing an agreement on labour mobility and agreeing to identify further initiatives under the Agreement on Internal Trade.

Working closely with U.S. and Ontario authorities, PCO advised on the Government's approximately C$3.75 billion assistance package for Chrysler, and coordinated and supported Industry Canada-led efforts to develop a Canadian support package of approximately C$11.5 billion for General Motors. This funding represented up to 20% of funding provided to U.S. counterparts of these firms by U.S. authorities and helped to secure the continued Canadian presence in the auto sector in North America.

PCO also worked closely with departments on proposals to stimulate the economy and position Canada for the future. These included proposals to support Canadian workers with temporary extensions of Employment Insurance benefits and enhanced access to training. As well, PCO participated in proposals for investments to repair and build new social housing across Canada, which will stimulate growth, create jobs, and help Canadians break free from the cycle of homelessness and poverty.

PCO also worked closely with the Department of Finance, the Department of Foreign Affairs and International Trade, and the Bank of Canada to coordinate the Prime Minister's participation in the G20 leaders' forum. This helped advance Canadian positions and interests in the international response to the global economic crisis.

PCO helped advance the Northern Strategy by supporting the development of new departmental initiatives. These include establishing the Arctic Research Infrastructure Fund to upgrade key northern research facilities, reviewing the Food Mail program to improve northern communities' access to healthy food at affordable prices, and renewing the Strategic Investments in Northern Economic Development program.

Elsewhere, PCO has continued to provide advice to the Prime Minister on all four pillars of the Government's integrated Northern Strategy: exercising our sovereignty, advancing economic and social development, promoting environmental sustainability, and improving governance. This work included supporting a series of new initiatives announced by the Prime Minister on the Strategy during his 2008 trip to the North. It also included supporting the development of departmental policy proposals such as those for the Geo-mapping for Energy and Minerals initiative and the extension of protection over Canada's Arctic waters.

PCO supported the Government in advancing its agenda with respect to the following initiatives:

- the *Building Canada Plan* to support economic growth and productivity, improve Canada's competitiveness and facilitate trade;
- broad-based tax relief, in particular in the area of corporate taxes with the passing of the 2008 *Budget Implementation Act*;
- the *Community Adjustment Fund* to address the short-term economic needs of Canadian communities impacted by the global recession;
- assistance to the forestry sector to secure a more sustainable future;
- the Major Projects Management Office, a $60-million initiative, established in Budget 2007, to improve the regulatory process for large natural resource projects;
- the *Agricultural Flexibility Fund*, a $500-million initiative to help the agricultural sector adapt to new industry pressures; and
- a new policy framework for *Growing Forward*,[10] a coordinated federal-provincial-territorial initiative over five years to help the agriculture sector become more prosperous, competitive and innovative.

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[10] PCO provided analysis on the federal/provincial/territorial mechanisms involved in the *Growing Forward* framework and monitored and provided advice on the progress of the bi-lateral agreements on behalf of the Prime Minister, the Minister of Intergovernmental Affairs, President of the Queen's Privy Council for Canada, and Minister for La Francophonie and the Minister responsible for Official Languages.

Foreign Affairs, Defence and National Security Policy

PCO played a key role in developing the Government's foreign, defence, national security, intelligence and international assistance agendas. Specifically, PCO provided policy advice and assessments, continued to coordinate policy issues across government, and coordinated and guided departments and agencies (such as Foreign Affairs and International Trade, National Defence, Public Safety and the Canadian International Development Agency) in their continued strategic realignment. This work continued to support the Government's efforts to: promote efficiency, effectiveness and accountability; advance Canada's national interests; strengthen Canadian sovereignty; and promote the Canadian values of freedom, democracy, human rights and the rule of law internationally.

PCO coordinated the Prime Minister's promotion of key Canadian interests during his participation in a series of international summits and foreign visits. In particular, PCO led Canadian efforts to organize, plan and execute President Obama's highly successful visit to Canada, his first visit outside the U.S. as President. This visit set the stage for a positive, productive relationship with the new U.S. Administration. PCO also coordinated the Prime Minister's participation at the G8 Summit, NATO Summit, Asia-Pacific Economic Cooperation forum, and Canada-EU and Francophonie Summits in the city of Québec.

As well, PCO supported the Prime Minister in responding to the recommendations of the Independent Panel on Canada's Future Role in Afghanistan, including the creation of the Cabinet Committee on Afghanistan. Along with key departments, PCO facilitated the transformation of Canada's mission in Afghanistan to an integrated and joint civilian-military partnership centered on reconstruction. This transformation was achieved by:

- increasing the number of Canadian civilian officials on the ground;
- making progress on development projects; and
- investing more resources in long-term efforts to improve Afghanistan's own capacities for governance and reconciliation.

These efforts are coordinated by the newly established Afghanistan Task Force, which provides secretariat support to the Cabinet Committee on Afghanistan, as well as coordinates whole-of-government efforts on Afghanistan on six priorities and three signature projects aimed at improving the lives of Afghans, especially in Kandahar province. The progress of the priorities and projects is reported to Parliament and Canadians quarterly.

PCO, along with other key departments, has fulfilled other recommendations of the Independent Panel on Canada's Future Role in Afghanistan:

- securing an additional battle group from a partner country to deploy in Kandahar;
- acquiring medium-lift helicopters and high-performance unmanned aerial vehicles;
- notifying NATO allies that Canada will end its military presence in Kandahar in July 2011;
- developing six clear priorities and three signature projects related to Canada's future engagement in Afghanistan; and
- reporting on the progress of the priorities and signature projects through the quarterly reports which are posted at www.afghanistan.gc.ca

PCO also took an additional role as Afghan Intelligence Lead Official (AILO) for the Government of Canada and set up an interdepartmental office to support the AILO and a series of senior-level interdepartmental coordination processes. These new structures enhanced information-sharing across government, improving the quality of information and assessments provided to the Cabinet Committee on Afghanistan.

Under the leadership of the National Security Advisor to the Prime Minister, PCO provided coordination across the federal government's security and intelligence community on issues of national security, emergency management and intelligence. This work helped to ensure consistency and cohesiveness in setting priorities, developing policy, conducting operations and communicating to Canadians.

PCO continued to advise the Prime Minister and Cabinet on associated policy priorities, operational challenges and legislative issues. In addition, PCO supported Cabinet deliberations on a wide range of international issues. Following these deliberations, the Government was able to, among other things, sign the Convention on Cluster Munitions and welcome two new NATO allies, Albania and Croatia. With PCO's assistance, Cabinet considered important budget investments in 2008 and 2009 in the areas of cyber security, transportation and border security and the continued advancement of new legislation, such as C-11: *An Act to promote safety and security with respect to human pathogens and toxins*. As well, PCO worked with the Departments of Foreign Affairs and International Trade, Public Safety Canada and Justice in undertaking successful negotiations with the U.S. and obtaining timely Cabinet decision making for the transformation of the Shiprider pilot project[11] into an Integrated Cross-Border Maritime Law Enforcement Framework Agreement, formally signed on May 26, 2009. PCO helped contribute to the defence of North America by participating in meetings of the Permanent Joint Board of Defence. In the November 2008 Speech from the Throne, the Government reiterated its intention to table the national security statement. PCO continues to work with Public Safety Canada on developing a statement.

Advancing Key Social Priorities

PCO provided strategic advice to the Prime Minister on a number of key social priorities, including Aboriginal, criminal justice, health, arts and culture and official languages issues.

With respect to Aboriginal issues, PCO supported the Government on the apology for Indian Residential Schools by the Prime Minister in the House of Commons on June 11, 2008, and the launch of the Truth and Reconciliation Commission. Despite a series of delays, PCO continued to provide support in advancing the Commission's mandate, including the appointment of a new Chair and Commissioners in June 2009. Further, PCO supported the Government in ongoing land claim and self-government negotiations and governance. Two prominent examples include the *Specific Claims Tribunal Act*, which improves the resolution of specific claims in Canada, and the *Tsawwassen First Nation Final Agreement Act*, which marked the first modern urban

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[11] The Shiprider Program brought Canadian RCMP officers and U.S. Coast Guard officers together on jointly crewed vessels in shared waterways in an effort to tackle cross-border crime.

treaty in British Columbia. Both bills received Royal Assent in the past year. PCO also provided critical support in advancing a new Federal Aboriginal Economic Development Framework.

In support of the Government's Tackling Crime Agenda, PCO provided advice to the Prime Minister and Cabinet on the development and introduction of legislation including bills to address auto theft and trafficking in property obtained by crime (Bill C-53, introduced April 2008), enhance penalties for drug crime (Bill C-15, introduced February 2009), update the *Criminal Code* (Bill C-13, passed May 2008), and limit credit for time served in pre-sentencing custody (Bill C-25, introduced in the House of Commons March 2009).

Further, PCO provided significant and ongoing advice on the development and communication of legislation supporting key priorities identified in the Government's Safer Communities Strategy, such as Bill C-2: *Tackling Violent Crime Act,* which included amendments to the *Criminal Code* and came into force in June 2008 and Bill C-14, *Combat organized crime and protection of justice systems participants*, introduced in February 2009. PCO also provided advice on options for the recruitment of 2,500 more police officers.

In other areas of social policy, PCO supported the development of the *Roadmap for Canada's Linguistic Duality: 2008-2013,* which helps official language minority communities as well as aiding all Canadians to engage in linguistic duality. PCO also supported the development of the Government's Food and Consumer Safety Action Plan, which ensured that the Government could respond proactively to human health and safety threats from hazardous and unsafe consumer products.

PCO worked with Departments to draft and introduce Bill C-6, *An Act Respecting the Safety of Consumer Products*, which was introduced in the House of Commons in January 2009.

PCO also provided a focal point for horizontal coordination of the Government's response to the listeria outbreak, in collaboration with the Canadian Food Inspection Agency, the Public Heath Agency of Canada, Health Canada and Agriculture and Agri-Food Canada. PCO supported the development and implementation of the Terms of Reference for the Independent Investigation of the listeria outbreak and the appointment of the Independent Investigator.

The Environmental Policy Agenda

Over the last year, PCO supported the Prime Minister in both domestic and international efforts to reduce greenhouse gas emissions. Domestically, PCO has worked with departments to develop the policy framework for various initiatives announced in Budget 2009, including the Clean Energy Fund; expansion of the ecoEnergy Retrofit program; and a framework for regulating greenhouse gas emissions, such as those from light-duty motor vehicles. Internationally, PCO supported work on developing and implementing a Canada-U.S. Clean Energy Dialogue, which was announced by Prime Minister Harper and President Obama on February 19, 2009. PCO also worked with departments to develop a negotiating mandate for various international maritime initiatives, including one on reducing greenhouse gas emissions from ships.

With respect to cleaning up Canada's major lakes and oceans, PCO supported work on the Government's amendments to the *Arctic Waters Pollution Prevention Act* aimed at giving

Canada greater ability to protect its Arctic waters from pollution. PCO also supported the *Environmental Enforcement Act* (Bill C-16), designed to ensure tougher environmental enforcement.

In January 2009, PCO helped organize the FMM to lay the groundwork for provincial and territorial support for Canada's Economic Action Plan and Budget 2009. This meeting resulted in an agreement to take incremental action in provincial and territorial 2009 Budgets to stimulate the economy, develop a national framework for foreign credential recognition, and endorse an agreement on labour mobility as well as other agreements.

Intergovernmental Affairs

PCO provided advice to the Prime Minister and the Minister of Intergovernmental Affairs on open federalism, limiting the use of the federal spending power in areas of exclusive provincial jurisdiction, and bilateral and multi-lateral relations with provinces and territories. PCO also helped facilitate two First Ministers' Meetings held in 2008-09, while supporting the Minister of Intergovernmental Affairs, to ensure alignment between all levels of government across Canada.

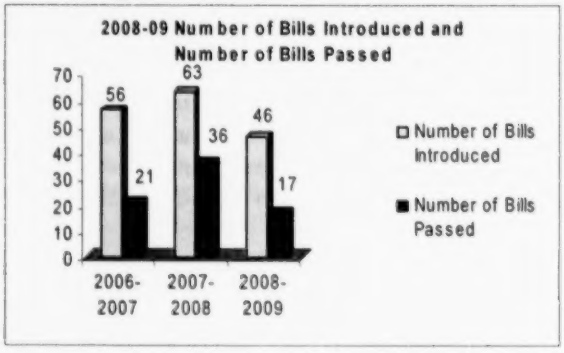
PCO provided advice to the Prime Minister on federal activities to celebrate the 400th anniversary of the founding of the city of Québec in August 2008. In cooperation with Canadian Heritage, PCO supported the Government by coordinating and managing federal activities and communications products.

Performance Analysis—Legislative, Organizational and Secretariat Support

Parliamentary and Legislative Agenda

PCO provided the Prime Minister, Cabinet committees, the Leader of the Government in the House of Commons, the Minister of State (Democratic Reform), and the Leader of the Government in the Senate and Secretary of State (Seniors) with policy advice and legislative and operational support for key government priorities in Parliament as well as support in managing the Government's agenda in a minority situation. This work included advice and support for the Government's parliamentary agenda in the 40th Parliament, which opened on November 19, 2008. In 2008-09, PCO also assisted the Government with the introduction and management of 46 bills that furthered the Government's agenda, including the 2009 *Budget Implementation Act*.

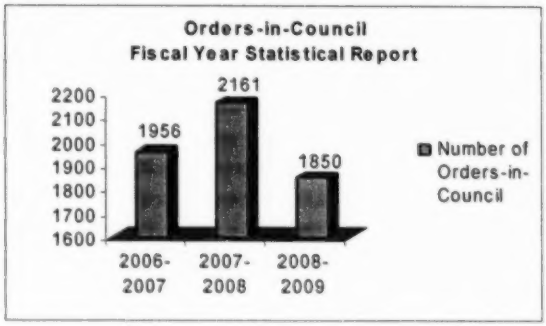
PCO helped the Government to coordinate and produce approximately 800 responses (Parliamentary Returns) to parliamentary inquiries for information, including public petitions, parliamentary written questions, and notices of motions for the production of papers during the 2008-09 fiscal year.



Democratic Reform

PCO provided non-partisan support to portfolio Ministers for parliamentary consideration of Bill

C-29, *Accountability with Respect to Loans*, which was passed by the House of Commons in June 2008 and for committee consideration of Bill C-20, the *Senate Appointment Consultations Act*, where PCO officials appeared before the committee as witnesses. PCO also managed litigation respecting two challenges to the *Canada Elections Act* and supported the appointment of a new Minister of State (Democratic Reform). PCO supported the Prime Minister in implementing initiatives under the *Federal Accountability Act* including support for the development of the new *Lobbying Act* for public office holders.



PCO also prepared and distributed 1,850 Orders-in-Council[12] for approval by the Governor General. PCO prepared a weekly agenda for submitting these documents to Treasury Board, transmitted Orders and Instruments to the Governor General for final approval, and administered the responsibilities of the Clerk of the Privy Council regarding the registration and publication of regulations in Part II of the *Canada Gazette*. These responsibilities are set out in the *Statutory Instruments Act*.

Organization, Structure and Appointment to Government Entities

During the past fiscal year, PCO supported the Prime Minister in exercising his prerogative regarding the organization and structure of government entities (machinery of government); the reassignment of Ministers during the Cabinet shuffles in May and June 2008; the swearing in of members of the ministry in October 2008; the appointment or reassignment of parliamentary secretaries in November 2008; and the setting of mandates and accountability of Ministers, Ministers of state and parliamentary secretaries.

PCO advised and supported the Prime Minister in creating a number of new functions such as the Procurement Ombudsman[13] and the Extractive Sector Corporate Social Responsibility Counsellor[14], and in winding down entities such as the Indian Specific Claims Commission.

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[12] An Order-in-Council is a legal instrument made by the Governor-in-Council pursuant to a statutory authority or, less frequently, the royal prerogative. All Orders-in-Council are made on the recommendation of the responsible Minister of the Crown and take legal effect only when signed by the Governor General. Orders-in-Council include appointments, regulations, statutory instruments and other orders, e.g. orders for international agreements, coming-into-force date for legislation, official Government responses and granting of citizenship.

[13] The mandate of the Procurement Ombudsman is to review procurement practices across government on an ongoing basis to ensure fairness and transparency; make recommendations for improvements to the relevant department; review complaints from potential suppliers after contract award with respect to procurements of goods and services that are covered by the Agreement on Internal Trade (AIT) but which are below the monetary thresholds of that agreement ($25,000 for goods and $100,000 for services); review complaints with respect to the

administration of contracts; and ensure the provision of an alternative dispute resolution process for contract disputes.

PCO also provided advice on the realignment of federal entities; for example, the merging of the Office of Indian Residential Schools Resolution Canada with the Department of Indian Affairs and Northern Development, and the reintegration of the Canada Public Service Agency with the Treasury Board Secretariat. Other realignments included the transfer of Mackenzie Gas Project responsibilities and staff from the Minister of Industry to the Minister of the Environment and of multiculturalism responsibilities and staff from the Minister of Canadian Heritage to the Minister of Citizenship, Immigration and Multiculturalism.

PCO provided advice on the Westminster system of government in Canada, including the principles of ministerial responsibility, the roles and responsibilities of Deputy Ministers, and matters regarding accountability. This work included issuing revised versions of *Accountable Government: A Guide for Ministers and Ministers of State* and the *Guide for Parliamentary Secretaries*.

During 2008-09, PCO initiated further enhancements to the Governor-in-Council (GiC) appointments website (www.appointments-nominations.gc.ca), which publicizes current GiC opportunities. In addition, PCO developed a monthly vacancy report covering all expiring appointments, which is distributed to Ministers and their portfolio departments, as well as comprehensive guidance on the fundamental elements of the appointment process. During this period, 876 GiC appointments were made (excluding judicial and lieutenant governor appointments) and 38 selection processes were launched to fill both leadership and non-leadership positions. Those positions included the Chief of the Defence Staff, the Director, Chairperson and trustees of the Canadian Museum of Human Rights, the CEO of Public-Private Partnerships (PPP) Canada Inc., the Registrar of the Supreme Court, members of the Canadian Transportation Accident Investigation and Safety Board, and members of the Canadian International Trade Tribunal.

Lessons Learned
In the March 2009 Status Report of the Auditor General (AG) of Canada on the Governor-in-Council appointment process, the AG concluded that the orientation and training of GiC appointments is functioning well. However, progress on timeliness of appointments, vacancy management, and communication among stakeholders remains an area for improvement. PCO has issued comprehensive guidance on the appointment process and now sends a monthly vacancy report to Ministers and their portfolio departments.

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[14] The Extractive Sector Corporate Social Responsibility Counsellor 's mandate is to assist companies and stakeholders in the resolution of disputes related to the corporate conduct of Canadian extractive companies (mining, oil and gas) abroad.

Correspondence Management

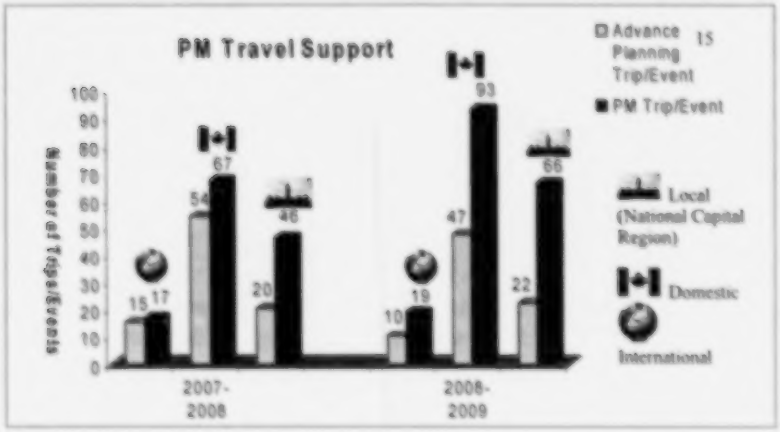
In support of the Prime Minister and the Government, PCO provided correspondence management services to the Prime Minister's Office and the offices of the Minister of Intergovernmental Affairs, President of the Queen's Privy Council for Canada and Minister for La Francophonie, the Leader of the Government in the House of Commons, and the Minister of State (Democratic Reform). These services included responding to email messages, letters and telephone calls from the general public, as well as issuing greetings and messages signed by the Prime Minister in recognition of special events. For more information on the year-over-year trends of Correspondence Activities, please see Annex III of the online extended Departmental Performance Report. The volume of correspondence is issue-driven and fluctuations from year to year are common. The Canadian public submits comments to the Prime Minister on a wide variety of issues that are of relevance and concern to them. For example, Canadians sent emails on more than 350 different topics in each year. In 2008-09, 18 different topics generated more than a thousand emails each, including the automotive industry, finance, listeriosis and the Middle East conflict.

Whether it's a letter from U.S. President Obama or a drawing sent by a child, all of the Prime Minister's mail is processed by PCO. In 2008-09, PCO received 1,579,474 pieces of correspondence, most of which were forwarded to the government department best positioned to answer the subject addressed in the correspondence.

Prime Minister's Travel Services

PCO provided support to the Prime Minister while travelling. For example, it delivered broadcast sound, lighting, staging, teleprompter and recording services to facilitate the delivery of the Prime Minister's speeches in Canada and abroad. PCO also provided full office and logistical support including secure voice and data communications and portable radio communications. This year, PCO supported the Prime Minister at 19 international, 93 domestic and 66 National Capital Region events.

Prime Minister's Travel Service Support for 2008-09



Business Continuity Planning

PCO conducted exercises to test specific parts of the Continuity of Constitutional Government and Human Resources Division business continuity plans. Lessons-learned sessions followed the exercises and provided valuable information for improving PCO's readiness. As well, an organization-wide Business Impact Assessment, a cornerstone piece for the enhanced business continuity program, was completed and the Pandemic Influenza Guide was finalized. PCO increased security services to provide better protection for the Prime Minister, Cabinet and PCO senior management activities at events such as retreats and meetings.

Lessons Learned
During 2009-10, PCO will update its Business Impact Assessment based on lessons learned from last year's work. Particular attention will be paid to the definition of "critical services" to ensure a common understanding and approach by all branches.

[15] Where necessary, PCO undertakes preliminary site visitations in order to assess and provide plans for operation within a variety of environments, so that the Prime Minister can function with a full level of support.

Program Activity 2	Benefits for Canadians
Provide policy advice and secretariat support to Cabinet and Cabinet committees	Cabinet and Cabinet committees will be able to implement the Government's agenda to better serve Canadians.

Financial Resources (thousands of dollars)

2008-09		
Planned Spending	Total Authorities	Actual Spending
20,763	24,921	24,761

Human Resources (full-time equivalents)

2008-09		
Planned	Actual	Difference
159	178	(19)

Description	Program Activity Expected Results	Performance Indicators
To ensure the smooth functioning of Cabinet decision making, the Privy Council Office provides policy advice and secretariat support to the Cabinet and Cabinet committees. PCO provides secretariat support to Cabinet and Cabinet committees by preparing briefing material and distributing agendas and documents.	The functioning and integrity of the Cabinet decision-making process are maintained.	→The Cabinet has reviewed value-added information on which to base decisions. • Number of full meetings of Cabinet and Cabinet Committees. →Cabinet documents are distributed in a timely manner to Ministers. →Deputy Ministers are regularly informed of the Government's agenda and activities. • Number of Deputy Ministers' meetings and retreats. →Departments are able to prepare memorandums to Cabinet and ministerial presentations that propose action to implement the Government's agenda.

Performance Analysis

Over the course of the fiscal year, PCO supported 183 Cabinet and Cabinet committee meetings. These included one Cabinet retreat and four retreats of the Priorities and Planning Committee, one of which was held in Inuvik in August 2008, to focus on the Government's Northern Strategy. In support of these meetings, PCO scheduled meetings, proposed agendas, organized meeting logistics and invited participating Ministers, coordinated Cabinet documents, prepared scenario notes and assessments on each item, delivered materials to Ministers, took notes, prepared Committee Reports, debriefs and formal minutes, and issued Records of Decision. A total of 1,297 Cabinet documents were processed. In addition, to ensure the timely passage of initiatives in the Economic Action Plan, PCO supported the Government in streamlining the decision-making process so that, where needed, Budget initiatives could be brought directly to the Priorities and Planning Committee for approval. This allowed priority initiatives to be approved with a minimum of delay, while at the same time ensuring that the requirements for due diligence were met. Throughout 2008-09, PCO supported the Treasury Board with respect to

its responsibility in reviewing and approving regulations, Orders-in-Council and other statutory instruments.[16]

Lessons Learned
PCO identified a need to play a stronger role in ensuring that departments were performing gender-based analysis (GBA) on their policy proposals and presenting the results to Cabinet for consideration when appropriate. In response, PCO held GBA training sessions for its policy analysts to ensure that the challenge function is exercised in a systematic and consistent fashion in this area. PCO also participated in training sessions for line departments, along with Status of Women Canada and the Treasury Board Secretariat, to communicate PCO's expectations about the use of GBA.

To support the implementation of the Government's agenda in a timely manner, PCO consulted regularly with departments and agencies and worked with officials to advance complex initiatives. In some cases, PCO worked to support collaborative decision making across Departments on shared files.

Meetings of Deputy Ministers are a key tool for integrating and coordinating the work of departments and agencies across government and supporting the Cabinet decision-making process. These include Deputy Minister and Clerk meetings to develop policy positions on specific issues, weekly Deputy Ministers' Breakfasts to ensure follow-up on the outcomes of Cabinet and Cabinet committee meetings, monthly meetings of the Coordinating Committee of Deputy Ministers at which senior deputies discuss key issues, and Deputies' Retreats at which the entire deputy community discusses management priorities and policy issues. During 2008-09, PCO convened 86 of these formal, deputy-level meetings, including three Deputies' Retreats. In addition, the National Security Advisor to the Prime Minister convened 22 meetings of the Deputy-Minister level advisory committee on national security, including meetings of the new sub-committees on border management and cyber security, while the Deputy Minister of the Afghanistan Task Force convened weekly meetings of the newly established Deputy Minister-level coordinating committee.

Lessons Learned
To support Cabinet effectively, PCO coordinates the efforts of line departments in delivering well-developed policy proposals in a timely fashion. As well, individual PCO analysts provide ongoing guidance to departments with regard to specific policy initiatives. In 2008-09, PCO also reviewed the performance of departments in order to identify strengths and weaknesses. The lessons learned were provided to departments in an effort to share best practices and address chronic performance issues.

PCO is also responsible for coordinating ongoing medium-term planning. This work, which is done in collaboration with other departments and agencies, includes analysis of trends affecting Canada over the coming years and their potential impacts on government policies and programs. The results of this analysis are used to brief the Prime Minister and Cabinet and to support discussions at retreats of the Priorities and Planning Committee and full Cabinet.

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[16] This responsibility is in addition to and separate from the Treasury Board's traditional responsibility under the *Financial Administration Act*, for which it receives support from the Treasury Board Secretariat.

Lessons Learned
PCO implemented revised memorandum to Cabinet information requirements including greater detail on implementation plans for policy initiatives. PCO also provided guidance to departments in addressing the new requirements for presenting policy proposals.

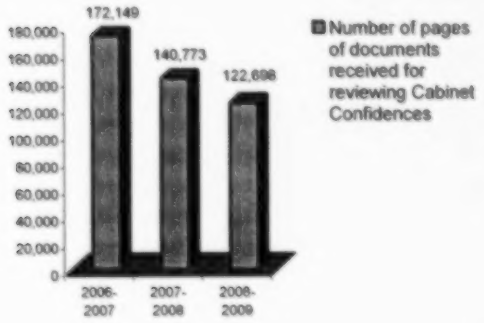
The table below describes the mandate of the Cabinet committees.

CABINET COMMITTEES	MANDATE
Cabinet Committee on Priorities and Planning	Provides strategic direction on Government priorities and expenditure management, ratifies committee recommendations and approves appointments.
Cabinet Committee on Operations	Provides the day-to-day coordination of the Government's agenda, including issues management, legislation and house planning, and communications.
Cabinet Committee on Social Affairs	Considers health care, justice, Aboriginal, training and skills development, culture, and immigration policy issues.
Treasury Board	Responsible for accountability and ethics, financial, personnel and administrative management, comptrollership, approving regulations and most Orders-in-Council.
Cabinet Committee on Economic Growth and Long-term Prosperity	Considers both sectoral issues including international trade, sustainable development, natural resources, fisheries, agriculture, transport, infrastructure and communities, and regional development, as well as longer-term matters concerning Canada's economic growth and prosperity, including follow-up on *Advantage Canada* and multi-year infrastructure plans set out in Budget 2007.
Cabinet Committee on Foreign Affairs and Security	Considers foreign affairs, international development, public and national security, and defence policy issues.
Cabinet Committee on Environment and Energy Security	Considers environment and energy security policy issues.
Cabinet Committee on Afghanistan	Considers issues related to Canada's mission in Afghanistan.

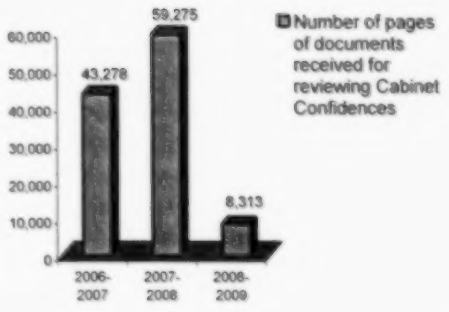
Cabinet Confidences

PCO supports the Clerk in his role as custodian of Cabinet confidences from current and previous ministries and is responsible for providing advice on related policy and legal issues. PCO serves as the primary contact for all federal departments and agencies regarding contentious issues involving Cabinet confidences. It is also responsible for ensuring that deadlines imposed by either the courts under the *Canada Evidence Act* or by the legislative requirements of the *Access to Information Act* and the *Privacy Act* are met on an ongoing basis and that the provisions of those statutes are properly applied by PCO officials.

Cabinet Confidences (s. 69 of the *Access to Information Act* and s. 70 of the *Privacy Act*)[18]

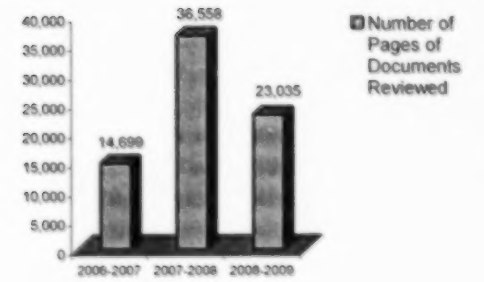


Cabinet Confidences[17] (s. 39 of the *Canada Evidence Act*)[19]

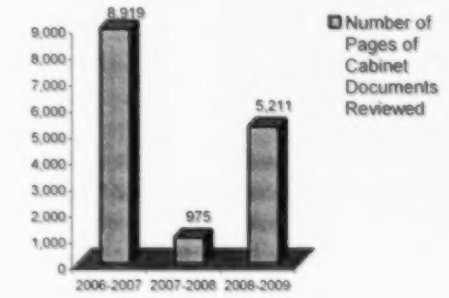


PCO is also responsible for reviewing and fulfilling requests for Cabinet documents from the Office of Auditor General (OAG), as well as reviewing documents to be produced for Crown litigation, Commissions of Inquiry and parliamentary committees. The following chart shows the number of pages and documents received for review.

Litigation/Commissions of Inquiry—Production of Documents



Cabinet Documents (requests from the Auditor General) 3-Orders-in-Council P.C. 1985-3783 and P.C. 2006 1289



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[17] The volume of submissions under the *Canada Evidence Act* can vary significantly from one year to the next. For example, in 2007-2008, one single submission contained 52,977 pages. Such volume variances are due to fluctuation in the occurrence and magnitude of litigation cases. The fluctuation depends on unpredictable factors such as the number of court actions and the nature of the claims, as well as directions and deadlines imposed by the courts.

[18] Please refer to Section IV for more information on s. 69 of the *Access to Information Act* and s. 70 of the *Privacy Act*.

[19] Please refer to Section IV for more information on s. 39 of the *Canada Evidence Act*.

Program Activity 3	Benefits for Canadians
Provide overall leadership and direction to the Public Service in support of the Government's agenda	The Public Service is provided with overall leadership and direction to ensure it has the talent, capacity and management frameworks needed to implement the Government's agenda.

Financial Resources (thousands of dollars)

2008–09		
Planned Spending	Total Authorities	Actual Spending
3,573	4,388	5,389

Human Resources (full-time equivalents)

2008–09		
Planned	Actual	Difference
37	39	(2)

Description	Program Activity Expected Results	Performance Indicators
To foster a high-performing and accountable Public Service that has the talent, capacity and management frameworks to provide advice on and implement the Government's agenda, PCO sets the strategic direction for the Public Service. It also plays a key role in the succession planning, selection, performance management and development of senior leaders in the Public Service.	The Public Service has the leadership, talent, capacity and management frameworks needed to provide advice on and implement the Government's agenda.	→ The Public Service is engaged in renewal activities. → The Public Service renewal initiative is provided with advice and support. • Advisory Committee report is issued.[20] • Clerk's annual report is issued.[21] • Public Service Renewal Action Plan is developed. • Number of Deputy Minister committee meetings held. • Number of Prime Minister's Advisory Committee meetings held. • Number of Committee of Senior Officials and sub-committee meetings held.

[20] Report of the Prime Minister's Advisory Committee on the Public Service at http://www.psagency-agencefp.gc.ca/ren/cpmc/menu-eng.asp

[21] Clerk's Annual Report at www.pco-bcp.gc.ca.

Performance Analysis

As a generation of Public Service leaders become eligible to retire, a number of initiatives have been put in place to identify leadership potential at the senior level so that the Public Service has the talent to effectively support the Government and serve Canadians.

Public Service Renewal Key Pillars:
- *Planning* - *Recruitment*
- *Development* - *Enabling Infrastructure*

PCO, through the Clerk and the Associate Secretary to Cabinet, engaged key stakeholders in Public Service Renewal and organized four enterprise-wide career fairs at universities across the country.

PCO supported the renewal of the Public Service of Canada by integrating renewal initiatives into the business of government in support of a Public Service that reflects excellence and leadership at all levels. PCO provided research and analytical support to the Prime Minister's Advisory Committee on the Public Service, which met three times last year and supported the release and distribution of the Committee's Third Annual Report to the Prime Minister.[22] PCO also chaired and supported the Deputy Minister Committee on Public Service Renewal, which met 10 times to advance key renewal initiatives across the Public Service.

PCO also established an Expert Panel on Integrated Business and Human Resources Planning in October 2008. This panel brought together six prominent leaders from federal and provincial governments and the private sector to provide recommendations on how to improve planning in the Public Service.[23]

Lessons Learned
Support for Public Service Renewal was consolidated into the Public Service Renewal Secretariat at PCO in line with recommendations coming from the strategic review in Human Resources central agencies. The consolidation of these resources will enable PCO to be more effective in advancing renewal-related initiatives across the Public Service, and will provide greater coherence and focus for these activities.

Over the year, the Clerk, with the support of the Committee of Senior Officials (COSO), worked to identify the demographic challenges facing the senior leadership of the Public Service. During 11 meetings in 2008-09, COSO and its sub-committees set the strategic direction for the senior cadre, identified potential successors to replace senior leaders and reviewed the results of the second round of the Advanced Leadership Program, which is an important initiative for developing future senior leaders.

The Performance Management Program (PMP) for Governor-in-Council appointees continued to be a cornerstone for rigorous management of senior leaders' performance. The PMP allowed the

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[22] The report was also published as an annex to the Clerk's Sixteenth Report to the Prime Minister (www.pco-bcp.gc.ca)

[23] In the 2007-08 Public Service Renewal Action Plan, integrated business and human resources planning was a core priority. The panel's report is available at www.pco-bcp.gc.ca. In its report, the panel makes four recommendations for advancing integrated planning across the Public Service.

Public Service to focus on common corporate objectives while sending a clear signal about the accountability of senior leaders and the importance of results. COSO reviewed the PMP for executives and requested several refinements to ensure that programs align and that the same rigour is extended to all executive levels beginning in 2009-10.

PCO also supported a Deputy Minister Committee on Human Resources Governance, which was mandated to provide recommendations on changes to the management of human resources in the Public Service.[24] This committee also provided external advice to the Treasury Board as part of its strategic review of six central human resources agencies,[25] which looked at the alignment of roles and responsibilities and the effectiveness of human resources management activities. The recommendations of the review, announced on February 6, 2009, outlined clear central agency accountabilities and provided Deputy Ministers with the responsibility to effectively manage their people while giving them the flexibility needed to meet departmental objectives.

The Canada@150 initiative was a development opportunity for potential future leaders in the Public Service. Under the co-leadership of PCO and the Policy Research Initiative (PRI), 150 recently recruited employees from across the Public Service took part in the year-long initiative (June 2008-June 2009) to consider the principal challenges that will face Canada in 2017, the country's 150th anniversary. This work was linked to PCO's ongoing analysis of trends as part of medium-term planning. In collaboration with the PRI, PCO provided secretariat support and senior management direction for this initiative, facilitating links to subject-matter experts and senior executives across the government. Over the fiscal year, three of the four working conferences were delivered by PCO in partnership with the PRI, with the fourth held in June 2009.

Other Information

As part of its efforts to improve internal management practices, and in line with the Public Service Renewal Action Plan's emphasis on integrated planning, PCO produced its second annual Integrated Business and Human Resources Plan in 2008-09. This report has been shared with employees.

New workforce availability estimates from the 2006 Census and 2006 post-Census Participation and Activity Limitation Survey were released in early 2009. Current representation for women, Aboriginal peoples, and persons with disabilities within PCO is on par with or exceeds workforce availability estimates, while visible minorities are under-represented.

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[24] As recommended in March 2008 by the Prime Minister's Advisory Committee on the Public Service.

[25] These included the Canada Public Service Agency, Canada School of the Public Service, Public Service Commission, Public Service Labour Relations Board, Public Service Staffing Tribunal, and Human Resources function in the Labour Relations and Compensations Operations, Pensions and Benefits and Expenditure Management Sectors of Treasury Board of Canada.

PCO established a new and independent Departmental Audit Committee, replacing the former Audit and Evaluation Committee and assigning responsibility for evaluation matters to PCO's Executive Committee.

PCO's long-term approach for monitoring compliance and enhancing its system of internal controls includes:

- a multi-year, risk-based internal audit planning process that focuses audits on areas of highest risk;
- ongoing management-led efforts to document internal controls for all key financial and non-financial policies and processes to better support the Clerk in his Accounting Officer role; and
- implementation of Management Action Plans in response to external and internal audit recommendations.

Program Activity 4	Benefits for Canadians
Provide Commissions of Inquiry with financial and administrative support.	Commissions of Inquiry are small organizations that operate at arm's length from the Government. By providing these entities with a consistent administrative framework and immediate access to internal services that are part of the Privy Council Office's existing infrastructure, commissioners can carry out their mandate without delay and investigate and report on matters of public interest.

Financial Resources (thousands of dollars)

2008–09		
Planned Spending	Total Authorities	Actual Spending
1,316	20,606	15,045

Human Resources (full-time equivalents)

2008–09		
Planned	Actual	Difference
4	26	(22)

Description	Program Activity Expected Results	Performance Indicators
Commissions of Inquiry receive administrative and financial support from the Privy Council Office. When such an entity is created, PCO is responsible for initiating arrangements for accommodation, furnishings and equipment to ensure that the work of the commission, task force or inquiry proceeds efficiently. PCO also ensures that administrative advice and support are provided to each commission on an ongoing basis for hiring staff, acquisition services, contracting, financial services, access to funding, records management, payroll support, posting of transcripts on the Internet, translation, security and systems support.	Commissions of Inquiry receive required resources as well as advice and guidance on financial and administrative matters.	→Commissions of Inquiry have received appropriate resources, as well as the necessary services, advice and guidance, in a timely manner.

Key Achievements

Although the Actual Spending reflects the total cost of Commissions of Inquiry, this document reports strictly on PCO's role, which is to support these organizations. PCO has effectively supported the administrative aspects of the following three commissions of inquiry:

Commission of Inquiry into the Investigation of the Bombing of Air India Flight 182

This commission is looking into certain aspects of the 1985 Air India bombing. Although the terms of reference do not direct the Commissioner to report to the Governor-in-Council by a

specific date, it appears that the report may be submitted in the fall or winter of 2009. For more information, please refer to the Commission's website at www.majorcomm.ca.

Internal Inquiry into the Actions of Canadian Officials in Relation to Abdullah Almalki, Ahmad Abou-Elmaati and Muayyed Nureddin

This commission was created on December 11, 2006, to determine whether the detention of Abdullah Almalki, Ahmad Abou-Elmaati and Muayyed Nureddin in Syria or Egypt resulted, directly or indirectly, from the actions of Canadian officials. On October 20, 2008, in accordance with his terms of reference, Commissioner Frank Iacobucci submitted his report to the Governor-in-Council. Information omitted from the public version of the Commissioner's report is the subject of dispute. The Commissioner's mandate was extended to authorize him to participate in any process that may be initiated under section 38 of the *Canada Evidence Act*. He is also authorized to issue a supplementary report reflecting any additional disclosure of information arising from this process. This extension does not provide a timeline for completion. For more information, please refer to the Commission's website at www.iacobucciinquiry.ca.

Commission of Inquiry into Certain Allegations Respecting Business and Financial Dealings Between Karlheinz Schreiber and the Right Honourable Brian Mulroney

On June 12, 2008, the Honourable Jeffrey J. Oliphant was appointed to investigate and report on 17 questions relating to the business and financial dealings between Messrs. Schreiber and Mulroney, and the handling of Mr. Schreiber's correspondence to the Prime Minister by the Privy Council Office. The Commissioner's Terms of Reference included an original deadline to submit a report or reports to the Governor-in-Council by June 12, 2009, which was extended to December 31, 2009. For more information, please refer to the Commission's website at www.oliphantcommission.ca.

Section III: Supplementary Information—Financial Highlights

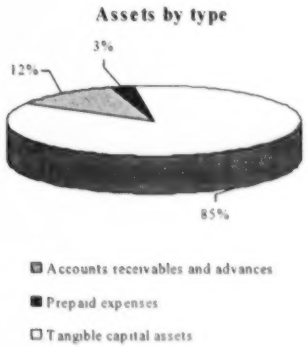
(in thousands of dollars)

Condensed Statement of Financial Position At March 31, 2009	**% change**	**2009**	**2008**
ASSETS			
Assets	-9%	10,874	11,879
Total assets	**-9%**	**10,874**	**11,879**
LIABILITIES AND EQUITY OF CANADA			
Liabilities	22%	44,866	36,764
Equity of Canada	37%	(33,992)	(24,885)
Total liabilities and equity of Canada	**-9%**	**10,874**	**11,879**

(in thousands of dollars)

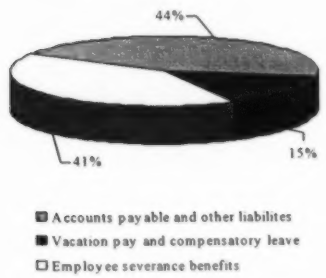
Condensed Statement of Operations For the year ended March 31, 2009	**% change**	**2009**	**2008**
EXPENSES	14%	172,548	150,816
REVENUES	-70%	(17)	(56)
NET COST OF OPERATIONS	**14%**	**172,531**	**150,760**

The increase of $21,771 thousand in the net cost of operations for fiscal year 2008-09 over the previous fiscal year is mainly due to the undertaking of new initiatives that have resulted in increases in basic salary, vacation pay, severance pay and employee benefit expenses. Ratification of collective bargaining also contributed to the increase in salary expenses.



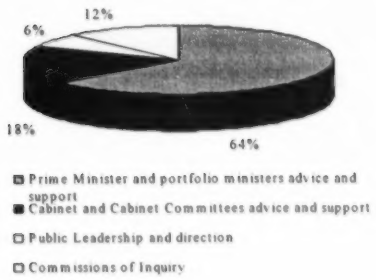
Total assets were $10,874 thousand at the end of 2008-09, a decrease of $1,005 thousand (9%) over the previous year's assets of $11,879 thousand. Tangible capital assets in the Privy Council Office represent the largest portion of its assets at $9,313 thousand (85%) and are comprised mainly of informatics-related hardware and software.

Liabilities by type



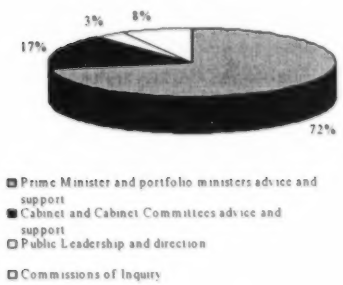
Total liabilities were $44,866 thousand at the end of 2008-09, an increase of $8,102 thousand (22%) over the previous year's total liabilities of $36,764 thousand. The increase is mainly driven by higher salary expenses, which have increased year-end accruals for other related expenses such as vacation pay, severance pay and compensatory paid leave.

Revenues per Program Activity



Total revenue amounted to $17,000 for 2008-09. These revenues mainly comprised a Gain on the disposal of tangible assets and miscellaneous revenues. Most of the revenues (64%) were derived from program activity 1.1 as this represents the predominant portion of our mandate, which is to serve Canada and Canadians by providing the best professional, non-partisan advice and support to the Prime Minister and portfolio ministers.

Expenses per Program Activity



Total expenses for the Privy Council Office were $172,548 thousand for 2008-09. The majority of the funds (72%) were spent in program activity 1.1 as this represents the predominant portion of our mandate, which is to serve Canada and Canadians by providing the best professional, non-partisan advice and support to the Prime Minister and portfolio ministers.

Financial Highlights Chart

Financial Statements

PCO's financial statement can be found in the Reports and Publications section at http://www.pco-bcp.gc.ca/

List of Supplementary Information Tables

All electronic supplementary information tables in the 2008-09 *Departmental Performance Report* can be found on the Treasury Board of Canada Secretariat's website at www.tbc-sct.gc.ca/dpr-rmr/2008-2009/index-eng.asp

Table 1: Sources of Respendable and Non-Respendable Revenue

Table 2: User Fees/External Fees

Table 3: Response to Parliamentary Committees and External Audits

Table 4: Internal Audits and Evaluations

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